

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking Regarding
Revisions to the California Advanced Services
Fund.

Rulemaking 20-08-021

**COMMENTS OF THE COUNTY OF SANTA CLARA ON
ASSIGNED COMMISSIONER'S AMENDED SCOPING MEMO AND RULING**

COUNTY OF SANTA CLARA

DIGITAL EQUITY CONSORTIUM

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September 30, 2021

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I. Introduction

The County of Santa Clara Digital Equity Consortium, on behalf of the County of Santa Clara (“County”), respectfully submits the following comments on the Assigned Commissioner Amended Scoping Memo and Ruling (“Ruling”), filed on September 16, 2021, as part of the California Public Utilities Commission’s (“Commission’s”) Order Instituting Rulemaking Regarding Revisions to the California Advanced Services Fund. The County appreciates the opportunity to provide comments on the Ruling and strongly supports efforts from the Commission to expand the local and tribal government technical assistance program to provide additional assistance to local governments working to close the digital divide.

II. Background

Santa Clara County has a population of approximately 1.95 million residents living within approximately 1,312 square miles of land.¹ It is one of the most populous counties in the state, and the most populous county in Northern California, making up about one fourth of the Bay Area’s total population.² It consists of both densely populated urban areas, such as the City of San José, and sparsely populated rural areas, such as the Coyote Valley. While Santa Clara

¹ California Department of Finance, *E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2020 and 2021* (May 2021), <http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-1/>.

² *Id.*

County is widely known as the heart of Silicon Valley, there are stark disparities in access to broadband internet across the county. For example, almost 100,000 people in Santa Clara County do not have access to the internet. Almost 130,000 more individuals have access only through a cellular data plan.³

III. Discussion

The County and its internet service providers face a diverse array of economic, cultural, and geographic challenges in expanding broadband access to unserved and underserved households. The activities funded through technical assistance grants will be crucial to better understanding these challenges and developing approaches to overcome them. In light of the varying needs that technical assistance program projects will need to address, the Commission should allow applicants as much flexibility as possible in proposing projects.

A. Maximum Award Amounts

Instead of its proposed \$150,000 maximum award amount, the Commission should adopt a range of award caps with a maximum of \$1 million per agency per year. Doing so would allow the Commission to account for the varying needs within jurisdictions for technical assistance activities. The number of unserved households in the jurisdiction should play an important part in the maximum award amount. For example, Santa Clara County has the largest population of any county in Northern California, including over 100,000 people who do not have adequate access to the internet. The diverse demographics and geography of Santa Clara County present County and its internet service providers with a wide array of challenges in providing service to the remaining unserved and underserved households. Overcoming these challenges will require locally tailored approaches. Allocating more funding to areas with greater numbers of unserved and underserved residents will allow the Commission to direct funding to the areas of greatest need.

Higher award caps would also give agencies more flexibility to structure projects and facilitate agencies seeking to move quickly on technical assistance projects. For example, an agency might have a fully reimbursable \$450,000 design study that can be completed in one year and not need funding for the next two years. Another agency could have three fully

³ U.S. Census Bureau, 2019 American Community Survey (2020). There are 32,753 households with no internet access, and 43,756 households who have a cellular data plan, and no other type of internet subscription. Table B28002 Presence and Types of Internet Subscriptions in Household, Santa Clara County, California. The average household size is 2.94 persons. Table S1101 Households and Families, Santa Clara County, California.

reimbursable \$150,000 market studies it plans to conduct over the next three years. A lower annual award cap would disadvantage the first agency by limiting the amount of its project that qualifies for reimbursement. The Commission could consider the award history of an applicant and other applicants applying in the same cycle when reviewing applications to account for the possibility of agencies receiving more than their fair share of grant funding.

B. Reimbursement for Local Agency Staff Hours

The Commission should reimburse local agencies for staff hours dedicated to work on both reimbursable activities and development of organizational capacity to support broadband deployment, and should not cap the amount of reimbursable staff time. Only reimbursing for contracted services needlessly penalizes jurisdictions who invest in developing organizational capacity to do technical assistance work in house, in favor of those agencies that contract out for the same services. Doing so will disincentive local agencies from building their own organizational capacity. Rather than scrutinizing the internal mechanics of how grantees choose to staff their projects, the Commission's focus should be on the merits of the projects for which applicants are seeking funding.

Local agencies can account for their staff time either by providing a per hour rate for each personnel classification and an estimate of the number of hours the project team will spend on the various tasks comprising to the project. The Commission can set the award amount based on the agency's time and rate estimates for the proposed work. Recipients can report time expended to the project to the Commission for reimbursement. Any necessary time in excess of the estimate will not be reimbursable, and the agency will need to fund that time at its own cost. Agencies regularly engage in this type of record keeping for work on development approvals. The Commission should not impose overly detailed accounting requirements for reimbursement of staff time, as doing so can unnecessarily increase administrative costs for grant recipients.

C. Applications from Eligible Agencies with Overlapping Jurisdictions

The County supports requirements to ensure that eligible agencies that have overlapping jurisdictions with other eligible agencies collaborate on grant applications. Requiring a letter of support from counties will ensure that eligible agencies communicate with one another on potential projects and act regionally.

D. Reimbursable Activities

The County supports the Commission’s definition of “technical assistance” as reimbursable work product resulting from activities which support local agencies in their pursuit of the provision of service to unserved and underserved communities. The County appreciates that the list of technical assistance activities in the definition is not framed as an exhaustive list, and the focus on the end goal of whether the activity supports the provision of services to unserved and underserved communities rather than delineating types of activities that are reimbursable. This flexibility will allow applicants possible to construct proposals that will meet the diverse needs of unserved and underserved communities.

IV. Conclusion

The County appreciates the opportunity to provide input into the State’s planning process for the local and tribal technical assistance grants. We look forward to the Commission’s final decision on the Ruling and support the Commission’s efforts to increase access to affordable and reliable internet services.

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Respectfully submitted September 30, 2021, at San José, California.

COUNTY OF SANTA CLARA

/s/ Imre Kabai

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